

PREVAILED

Roll Call No. _____

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RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1753 be amended to read as follows:

- 1 Page 2, between lines 39 and 40, begin a new paragraph and insert:
- 2 "SECTION 2. IC 24-9-4.5 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2007]:
- 5 **Chapter 4.5. First-Time Home Buyer Education**
- 6 **Sec. 1. As used in this chapter, "authority" refers to the Indiana**
- 7 **housing and community development authority created by**
- 8 **IC 5-20-1-3.**
- 9 **Sec. 2. As used in this chapter, "creditor" has the meaning set**
- 10 **forth in IC 24-9-2-6.**
- 11 **Sec. 3. As used in this chapter, "education course" means a**
- 12 **first-time home buyer course required by section 6 of this chapter.**
- 13 **Sec. 4. (a) As used in this chapter, "first-time home buyer"**
- 14 **means an individual who has not owned a home or other residence**
- 15 **during the preceding five (5) years.**
- 16 **(b) The term does not include an individual who is married if:**
- 17 **(1) the individual;**
- 18 **(2) the individual's spouse; or**
- 19 **(3) both the individual and the individual's spouse;**
- 20 **owned a home or other residence during the preceding five (5)**
- 21 **years.**
- 22 **Sec. 5. As used in this chapter, "home loan" has the meaning set**
- 23 **forth in IC 24-9-2-9.**
- 24 **Sec. 6. A creditor may not make a home loan after June 30,**

2008, to a first-time home buyer unless the first-time home buyer has, during the preceding year, completed a first-time home buyer course that includes the contents required under section 7 of this chapter.

Sec. 7. (a) The authority shall adopt rules or guidelines prescribing the contents of the education course required by section 6 of this chapter.

(b) An education course must include instruction or counseling on at least the following subjects:

- (1) Shopping for a home.
- (2) Establishing a personal budget.
- (3) Using credit history information.
- (4) Understanding loan options and mortgage products.
- (5) Understanding the consequence of interest rate changes on adjustable rate mortgages.
- (6) Qualifying for and applying for a mortgage.
- (7) Making an offer to purchase a home.
- (8) Conducting the home inspection process.
- (9) Conducting the loan closing process.

(c) An education course must be conducted:

- (1) in a classroom or workshop session;
- (2) in a face-to-face tutorial;
- (3) through the use of video distance learning technology; or
- (4) by telephone, if the creditor uses the services of a mortgage insurer with an established telephone education program.

(d) An education course may be conducted by any person, including any of the following:

- (1) An employee or contractor of a creditor making a home loan.
- (2) An employee or contractor of a local counseling agency.
- (3) A counselor from a housing counseling agency certified by the United States Department of Housing and Urban Development.

Sec. 8. If a creditor provides an education course under this chapter to a first-time home buyer, the creditor may include the cost of the education course in the home loan made to the first-time home buyer.

Sec. 9. The authority may establish standards for the certification of individuals who provide education courses under this chapter.

Sec. 10. A creditor making a home loan after June 30, 2008, to a first-time home buyer must include in the loan file a document from the first-time home buyer stating that the first-time home buyer completed an education course under this chapter before the creditor made the home loan to the first-time home buyer.

SECTION 3. IC 24-9-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. Except as provided in

- 1 **subsection (b)**, a person who knowingly or intentionally violates this
2 article commits:
3 (1) a Class A misdemeanor; and
4 (2) an act that is actionable by the attorney general under
5 IC 24-5-0.5 and is subject to the penalties listed in IC 24-5-0.5.
6 **(b) A person who violates IC 24-9-4.5 commits:**
7 (1) a Class B infraction; and
8 (2) an act that is actionable by the attorney general under
9 IC 24-5-0.5 and is subject to the penalties listed in
10 IC 24-5-0.5".
11 Renumber all SECTIONS consecutively.
 (Reference is to HB 1753 as printed February 20, 2007.)

Representative Hinkle